TITLE 86: REVENUE

PART 150
USE TAX

Section 150.110 How To Compute Depreciation

a) For the purpose of determining the "reasonable allowance for depreciation" in the case of motor vehicles, the Department will presume that the average life expectancy of a motor vehicle is 50 months and that the rate of depreciation that is therefore allowable is 2% of the selling price each month for such period of period out-of-State use. A fraction of a month (including any period which is less than a month after the date of purchase) will be disregard

b) In this connection, a "month" does not mean a calendar month, but means a period of one month from the date of purchase. For example, if the motor vehicle were bought on the fifth day of one month, one month of depreciation will be considered to have accrued on the fifth day of the following month. In no case will depreciation be allowed for any period of time before the physical possession of the motor vehicle is delivered to the purchaser.

c) Effective January 1, 1968, as to tangible personal property other than motor vehicles, a "reasonable allowance for depreciation" is deemed by the Department to be the amount of depreciation etermined by use of the straight line method of depreciation.

(Source: Amended and effective September 9, 1969)